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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 000096

SIPDIS

E.O. 12958: DECL: 01/28/2020
TAGS: [PGOV](#) [PREL](#) [KDEM](#) [HO](#)
SUBJECT: USG DELEGATION ATTENDS PRESIDENT LOBO'S
INAUGURATION

REF: TEGUCIGALPA 0088

Classified By: Ambassador Hugo Llorens for reasons 1.4 (b/d)

¶1. (C) Summary: Assistant Secretary of State (A/S) for Western Hemisphere Affairs (WHA) Arturo Valenzuela, accompanied by Ambassador Hugo Llorens, Assistant Secretary of State for Economic, Energy, and Business Affairs (EEB) Jose Fernandez and Principal Deputy Assistant Secretary of State (PDAS) for Western Hemisphere Affairs Craig Kelly, led the U.S. delegation to the January 27 inauguration of President Porfirio Lobo. During the visit, the delegation met with President Lobo and his economic team, President Jose Manuel "Mel" Zelaya, and Colombian Vice President Francisco Santos. The delegation also held a press roundtable for print media. WHA A/S Valenzuela told President Lobo that the international community cannot accept a solution to the Honduran political crisis that does not restore the constitutional order and urged creation of a Truth Commission within the framework of the Organization of American States as a mechanism to bring closure to the crisis. EEB A/S Fernandez told Lobo that the U.S. is interested in helping his government recover from its economic woes. WHA A/S Valenzuela told President Zelaya that the U.S. has always been committed to the defense of Honduran democracy, but also wants Honduras to move forward towards a better future. Vice President Santos told the U.S. delegation that his government wanted to demonstrate its support for Honduras and the Lobo government in the wake of the election process. End Summary.

¶2. (U) WHA A/S Arturo Valenzuela led the U.S. delegation to the January 27 inauguration of President Porfirio Lobo. The other members of the delegation were: Ambassador Hugo Llorens, EEB A/S Jose Fernandez, WHA PDAS Craig Kelly, Executive Assistant to the Assistant Secretary for Western Hemisphere Affairs Juan Gonzalez, and Protocol Officer Tanya Turner. The delegation attended the inaugural ceremony held at the National Stadium and participated in a luncheon for foreign delegations hosted by President Lobo at the Executive Mansion.

¶3. (C) The delegation met with president-elect Porfirio Lobo on January 26, the day before the inauguration. WHA A/S Valenzuela told Lobo that the international community cannot accept a solution to the Honduran political crisis that does not restore the constitutional order. A/S Valenzuela commended Lobo for his efforts to build national unity and reintegrate Honduras into the international community. A/S Valenzuela told Lobo that creation of a Truth Commission within the framework of the Organization of American States (OAS) could bring closure to this chapter in Honduran history. He also stated that if the OAS were to reinstate

Honduras quickly that would facilitate resumption of donor assistance to Honduras. EEB A/S Fernandez said that once the family fight in Honduras is over, the U.S. is very interested in helping the Lobo government. Lobo thanked the U.S. for its efforts to solve the crisis. He said Honduran society is very polarized and said he would call for compliance with the Tegucigalpa-San Jose Accord.

¶4. (C) WHA A/S Valenzuela and PDAS Kelly met with President Jose Manuel "Mel" Zelaya at the Brazilian Embassy on January 26, the day before he departed Honduras with Dominican Republic President Leonel Fernandez. Brazilian Charge d'Affaires Francisco Catunda also attended the meeting. Zelaya thanked the Ambassador for his efforts to attempt to avert the political crisis. Zelaya said the Honduran crisis has complicated international relations in the Americas. He also said there will be no reconciliation among Hondurans unless they learn to debate ideas peacefully. A/S Valenzuela told Zelaya that the U.S. has always been committed to the defense of Honduran democracy, but that the U.S. also wants Honduras to move forward and have a better future. He told Zelaya that Zelaya can play a role in Honduras' future. Zelaya promised to try to help and said the U.S. could count on him. Brazilian Charge Catunda thanked the U.S. for its staunch support over many months for their Embassy and staff. Catunda cited our effort to ensure that regime authorities provided water, electricity, and allowed daily shipments of food to those residing inside the chancery compound.

¶5. (SBU) While WHA A/S Valenzuela, Ambassador Llorens and PDAS Kelly met with President Zelaya, EEB A/S Fernandez met

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with members of Lobo's economic team on January 26. Among the participants were William Chong Wong, who was subsequently named Minister of Finance for the new government, and Maria Elena Mondragon, who will head the central bank. A/S Fernandez emphasized the importance of the Pathways to Prosperity initiative and encouraged Honduras, which chairs the Pathways pillar on small and medium enterprises, to be prepared to play a strong role at the Pathways ministerial in San Jose. The economic team expressed interest in learning more about Pathways. (Comment: Getting the new team up to speed on Pathways will be a high priority for the Embassy in upcoming weeks. End Comment.) A/S Fernandez said that he hoped to work with the economic team on areas of common interest, including channeling remittances into investment and developing public-private partnerships. The economic team expressed concern about the government's balance sheet, particularly the large amount of short-term internal debt, and pressed for resumption of economic assistance, including budget support and technical assistance.

¶6. (C) The U.S. delegation met with Colombian Vice President Francisco Santos, who led the Colombian delegation to the inauguration, on January 26. Vice President Santos told the U.S. delegation that the Government of Colombia wanted to show its support for Honduras and the Lobo government in the wake of the election process. Santos said Colombia could draw from its own experience in confronting narco-trafficking and crime to assist Honduras' new government in addressing these challenges. WHA A/S Valenzuela thanked Colombia for its contributions to the Haiti relief effort. Santos responded that Colombia's commitment to the Haitian relief effort underscored Colombia's solidarity with its hemispheric neighbors and proved that Colombia can provide valuable expertise and assistance. WHA A/S Valenzuela highlighted the importance of bolstering electoral processes through strengthening institutions, which can only be viable if they are responsive to the people. Vice President Santos, who generally described the Colombian economy in positive terms, expressed concern about the adverse effect on the Colombian economy if the U.S.-Colombia Free Trade Agreement (FTA) is not ratified. WHA A/S Valenzuela responded that it would be difficult to achieve passage of an FTA in an election year,

but that the U.S. would continue its efforts to do so. Santos also expressed concern that U.S. discussions with the Union of South American nations (UNASUR) would reopen the debate on Colombia's Defense Cooperation Agreement (DCA); WHA A/S Valenzuela assured Santos that no meetings are currently planned and any future ones would take place at a low level and would not endanger the DCA.

17. (U) WHA A/S Valenzuela, Ambassador Llorens, EEB A/S Fernandez, and WHA PDAS Kelly held a press roundtable by invitation for local and international print media on January 27 before their departure. A/Valenzuela stated that it was a historic moment for Honduras and that he was pleased to be a witness to this important step forward in the process of national reconciliation in Honduras. A/S Valenzuela reiterated the U.S. commitment to work with the government of President Lobo. He welcomed President Lobo's efforts to form a cabinet that includes all political parties and expressed support for President Lobo's calls that a national unity government be formed within the framework of the Organization of American States as called for in the Tegucigalpa-San Jose Agreement.

LLORENS